the metrocities so that quick and ctrici- i ent services comparable to the private and foreign banks can be provided to its customers. Bank's should try to impart "in House training" for the employees in the process of modernisation including computerisation.

15. The Committee during its visit noticed that some of the managements the banks are organising social functions like promotion of national integration and communal harmony, family planning, literacy programme and adult education etc. Such programmes not only attract more customers in the banks but also render valuable service to the customers, The Committee therefore feels that the Government should encourage the banking industry to undertake such social activities.

16. The Committee is of the opinion that publicity policy related to each banks needs in general should be left to the individual banks discretions and (he Indian Banks' Association should take up only such campaigns which are required to be taken up on banking industry level.

17. The Committee recommends that the Customer Oriented Training Pro grammes should-be organised by the banks for its employees so that they arc made aware of the customers needs.

18. The Committee is of the opinion that the banks should encourage "think tanks" at the higher levels in the banks to evolve innovative schemes to attract more deposits and also to upgrade their customer services.

19. The Ministry of Finance should issue necessary instructions to the RBI and different Managements of the Indian and Foreign Banks in the light of the Committee on 6evernment insurances recommendations directions to take necessary steps for the proper and successful implementation and furnish the action taken notes thereon for consideration of the committee.

Cases of sick PSUs pending before BIFR

7522. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether cases pending before Board for Industrial and Financial Reconstruction (BIFR). about sick Public Sector Undertakings have been awaiting certain signals from Government;

(b) whether due to delay in getting proper rehabilitation schemes approved Ivy Government and BIFR decisions about these Public Sector Undertakings are getting further delayed;

(c) whether situation in those PSUs is further deteriorating as- far as operation and business of these units are concerned: and

Id) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): Far to (d) Under Section 15 of the Sick Industrial Companies (Special Provisions) Act. 1985 (SICA). it is obligatory for Sick Industrial Companies to make a reference to the Board for Industrial and Financial Reconstruction (BIFR). As per the provisions of SICA, the BIFR has to explore different alternatives for revival of a sick industrial company before forming an opinion that it is just and equitable that the company be wound-up BIFR has also to give a reasonable op-pertunity to all concerned, including the Administrative Ministry and the sick company, to be heard. Any request received for grant of further time has also to he considered by BIFR. Further. in the case of some sick Public Sector Under takings, BIFR has on request granted time to the Administrative Ministry company concerned to give their final views on issues like induction of additional funds and allied matters, which are essential to

reach a final decision a* to revival or, in the alternative, closure. Proceedings before BIFR have also been stayed by the Calcutta High Court in respect of five
sa»eS.

stripping of air hostense by eastern officials at Calicut

7323. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleated to State:

(B) whether the Customs Official* at Calicut Airport had recently stripped Are air hostesses;

(b) if so. whether several trade unions have urged Government to probe the incident;

(e) if to, the detail* thereof:

(d) whether any action ha* beea initiated by Government against the Cus toms officials potted there;

(e) if so, the details thereof; and

(f) the steps Government propose to take to avoid recurrence of such inci dents?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) and^c)INTUC, CITU, AITUC, BM5 and HMS have urged a high level probe into the alleged incident of stripping and stringent action against the officials involved.

(d) and (e) The Principal Collector of Customs and Central Excise, Madras has conducted an inquiry into the said incident. His findings, based on his discus-sion|enquiry with some of the persons who were present at the time of incident, indicate that the press reports and alle-pations of 'stripping' and harassment by customs officials are not true. The air hostesses were subject to a routing frisk-. kg by the customs officials in the normal a, eour*e *at* discharge of their functions, fir

(f) In view of answer to (d) and (e) above, no specific steps need to bo taken.

Private sector participation in banking , and insurance

7524. SHRI SANJAY DALM1A: Will the Minister of FINANCE be pleased to state; what are the norma prescribed by
Government for private sector participation in banking and insurance sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): Reserve Bank of India have laid down guidelines for entry of the private sector into banking industry, which inter-alia provide that minimum paid-up capital for a new bank should be Rs. 100 crores.

A copy of the RBI's guidelines is attached as Statement *(Set* below)

The Government have not laid down any norms for private sector participation in the insurance industry.

Statement

Guidelines on entry of new pi-irate sector banks

(a) Such a bank shall be registered as a public limited company under thai Comanies Act, 1956.

(b) The RBI may, on merits grant a licence under the Banking Regulation Act, 1949 for such a bank. The bank may also be included in the Second Schedule of the Reserve Bank of India Act, 1934 at the appropriate time. The decision of
the RBI in these matters shall b_e final..

(c) The bank will be governed by the provisions of the Banking Regulation Act, 1949 in regard to its authorised, subscrib ed and paid-up capital. The minimum paid-up capital for such a bank shall be Rs. 100 crores. The promoters' contribu tion for such a hank shall be determined by the RBI and will also be subject to other applicable regulations.